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PROJECT GRANT AGREEMENT
FOR THE
BASIC EDUCATION SYSTEM OVERHAUL PROGRAM SUPPORT PROJECT
("the Project")
Between
THE TRANSITIONAL GOVERNMENT OF ETHIOPIA
(the "Grantee")
and
THE UNITED STATES OF AMERICA
acting through
THE AGENCY FOR INTERNATIONAL DEVELOPMENT
("USAID")

Project No.: 663-0015
Budget Plan Code: GSS494-21663-KG13
Appropriation No.: 72-114/51014
RCN: E940652

DATED: September 29, 1994

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(the "Project")

Dated: September 29, 1994

Between

The Transitional Government of Ethiopia
(hereinafter referred to as the "Grantee")

and

The United States of America, acting through the
Agency for International Development ("USAID").

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project

The Project, which is further described in Annex 1, is designed to support and complement the BESO Program which is designed to improve the quality and equity of primary education in an expanded and expanding primary education system. The Project will provide technical assistance, training, commodities and other operational support designed specifically to: (a) improve the quality and equity of the primary school environment, (b) improve the efficiency and effectiveness of key quality-related services, (c) improve the quality of pre-service teacher training, (d) improve decentralized management of primary education, and (e) increase and make more rational and efficient the financing of the education sector.

Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the Amplified Project Description set forth in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2 without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project

- (a) USAID's contribution to the Project will be provided in increments totalling \$30,000,000 (Thirty Million U.S. Dollars), the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to the availability of funds to USAID for this purpose, and to the mutual agreement of the Parties, at the time of each subsequent increment, to proceed.
- (b) Within the overall Project Assistance Completion Date ("PACD") stated in this Agreement, USAID, based upon consultations with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by USAID under each individual increment of assistance.

Article 3: Financing

SECTION 3.1. The Grant

- (a) To assist the Grantee to meet the costs of carrying out the Project, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed Eight Million United States ("U.S.") Dollars (\$8,000,000) (the "Grant").

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1 of this Agreement, and local currency costs, as defined in Section 6.2 of this Agreement, of goods and services required for the Project.

- (b) If at any time USAID determines that its contribution to the Project under Subsection 3.1(a) exceeds the amount which reasonably can be committed for Project purposes during the current or following U.S. fiscal year, upon written notice to the Grantee, USAID may withdraw the excess amount, thereby reducing the amount of the Grant, as set forth in Subsection 3.1(a). Actions taken pursuant to this Subsection shall not reduce USAID's total estimated contribution to the

Project below that contained in Subsection 2.2(a), subject to the availability of funds to USAID for this purpose and to the mutual agreement of the Parties, at the time of each subsequent increment, to proceed.

SECTION 3.2. Grantee Resources for the Project

- (a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.
- (b) The resources provided by the Grantee for the Project will be in accord with Section VIII of Annex A of this Agreement.

SECTION 3.3. Project Assistance Completion Date (PACD)

- (a) The PACD, which is December 31, 2001 or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.
- (b) Except as USAID may otherwise agree in writing, USAID will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.
- (c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by USAID or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as USAID agrees to in writing. After such period, USAID giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent

SECTION 4.1. Conditions Precedent to First Disbursement

Except as USAID may otherwise agree in writing, prior to any disbursement under the Grant, or to the

issuance by USAID of documentation pursuant to which such disbursement will be made, the Grantee shall furnish or have furnished to USAID, in form and substance satisfactory to USAID, a written statement setting forth the names and titles of persons holding or acting in the Office of the Grantee and of any additional representatives, and representing that the named person or persons have the authority to act as the representative or representatives of the Grantee, together with a specimen signature of each such person certified as to its authenticity.

SECTION 4.2. Notification

When USAID has determined that the conditions precedent specified in Section 4.1 have been met, USAID will promptly so notify the Grantee.

SECTION 4.3. Terminal Dates for Conditions Precedent

- (a) If all of the conditions specified in Section 4.1 have not been met within ninety (90) days from the date of this Agreement, or such later date as USAID may agree to in writing, USAID, at its option, may terminate this Agreement by written notice to the Grantee.

Article 5: Special Covenants

SECTION 5.1. Project Monitoring and Evaluation

The Parties agree to establish a monitoring and evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

- (a) evaluation of progress towards attainment of the objectives of the Project;
- (b) identification and evaluation of problem areas or constraints which may inhibit such attainment;
- (c) assessment of how such information may be used to help overcome such problems; and,
- (d) evaluation, to the degree feasible, of the overall development impact of the Project.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs

Except as USAID may otherwise agree in writing, disbursements pursuant to Section 7.1 will be used exclusively as follows:

- (a) to finance the costs of goods and services required for the Project having, with respect to goods, their source and origin, and with respect to services, their nationality in Code 935 of the USAID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services, except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance. All reasonable efforts will be used to maximize U.S. procurement whenever practicable. Air travel and transportation to and from the U.S. shall be upon certified U.S. flag carriers. Other air transportation financed under this Grant of property or persons, will be on carriers holding United States certification, to the extent services by such carriers are available. When U.S. flag carriers are not available or practicable, the certified carrier of Ethiopia will be used when available and practicable;
- (b) to finance ocean transportation costs under the Grant only on vessels under flag registry of the countries included in USAID Geographic Code 935 and the cooperating country, subject to 50/50 shipping requirements under the Cargo Preference Act and the regulations promulgated thereunder.

SECTION 6.2. Local Currency Costs

Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source in Ethiopia and, except as USAID may otherwise agree in writing, their origin in Ethiopia or in countries included in USAID Geographic Code 935 ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs

- (a) In accord with requirements of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:
 - (1) by submitting to USAID, with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods

or services, or, (B) requests for USAID to procure commodities or services on the Grantee's behalf for the Project; or,

(2) by requesting USAID to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to USAID, committing USAID to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing USAID to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by the Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless the Grantee instructs USAID to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs

(a) In accord with requirements of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with terms of this Agreement, by submitting to USAID, with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained:

(1) by acquisition by USAID with U.S. dollars by purchase or from local currency already owned by the U.S. Government; or,

(2) by USAID, (A) requesting the Grantee to make available the local currency for such costs, and (B) thereafter making available to the Grantee, through the opening or amendment by USAID of Special Letters of Credit in favor of the Grantee or its designee, an amount of U.S. dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U.S. dollar equivalent of the local currency

made available hereunder will be, in the case of subsection (b)(1) above, the amount of U.S. dollars required by USAID to obtain the local currency, and in the case of subsection (b)(2) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

SECTION 7.3. Other Forms of Disbursement

Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.4. Rate of Exchange

Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into Ethiopia by USAID or any public or private agency for purposes of carrying out obligations of USAID hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of Ethiopia at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Ethiopia.

Article 8: Miscellaneous

SECTION 8.1. Communications

Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram, cable or facsimile, and will be deemed duly given or sent when delivered to such party at the following addresses:

To Grantee: Minister for External Economic Cooperation

Mail Address: P.O. Box 2428
Addis Ababa, Ethiopia
Fax: 51-79-88

To USAID: USAID Mission Director

Mail Address: USAID Mission to Ethiopia
P.O. Box 1014
Addis Ababa, Ethiopia
Fax: 61-38-01

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice. The Grantee, in addition, will provide the USAID Mission/Ethiopia with a copy of each communication sent to USAID/Washington.

SECTION 8.2. Representatives

For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of the Minister of External Economic Cooperation and USAID will be represented by the individual holding or acting in the Office of the Director, USAID Mission to Ethiopia each of whom, by written notice, may designate additional representatives for all purposes including exercising the power under Section 2.1 to revise elements of the Amplified Project Description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to USAID, which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex

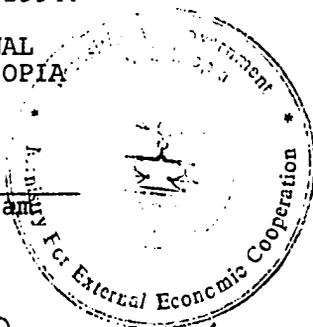
A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year set forth below.

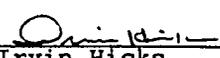
Done at Addis Ababa, Ethiopia, in duplicate, this 29th day of September, 1994.

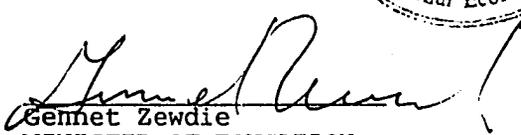
FOR THE TRANSITIONAL
GOVERNMENT OF ETHIOPIA

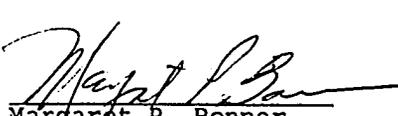

Israel Kidane Mariam
VICE MINISTER OF
EXTERNAL ECONOMIC
COOPERATION



FOR THE GOVERNMENT OF
THE UNITED STATES OF
AMERICA


Irvin Hicks
UNITED STATES
AMBASSADOR TO
ETHIOPIA


Genmet Zewdie
MINISTER OF EDUCATION


Margaret P. Bonner
DIRECTOR, U.S. AGENCY
FOR INTERNATIONAL
DEVELOPMENT, ETHIOPIA

Attachments:

Annex 1 - Project Description including Illustrative Budget.
~~Annex 2 - Project Grant Standard Provisions Annex.~~

**BASIC EDUCATION SYSTEM OVERHAUL (BESO)
AMPLIFIED PROJECT DESCRIPTION
Annex 1**

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BASIC EDUCATION SYSTEM OVERHAUL (BESO) AMPLIFIED PROJECT DESCRIPTION

I. Rationale

The overall goal of the Basic Education System Overhaul (BESO) Program and Project is to **improve the quality of the human resource base in Ethiopia**. It is recognized that the goal will take decades to achieve. Advances will occur in part through an improved and decentralized education delivery system that effectively and in a sustainable way provides quality primary education to a significant proportion of Ethiopia's school-aged population. Putting appropriate national policies in place and establishing models for improved school performance in specific geographic areas during the seven-year life of BESO, will help to establish a sustainable foundation for achievement of this goal in the long term.

The primary objective of BESO is to **improve the quality and equity of primary education in an expanded (and expanding) primary education system**. While there is universal agreement that Ethiopia's primary participation rate of 22% is severely inadequate and needs to be increased, it is also widely recognized by education policy makers that system expansion must not proceed without attention to the often competing objectives of quality and equity. To do otherwise would be to repeat the costly and system-debilitating mistakes made by many of sub-Saharan education ministries following independence.

Achievement of this objective is grounded in two program targets, namely:

Target No. 1: Improved decentralized management of the primary education system; and

Target No. 2: Improved key quality-related inputs and equity-enhancing measures for primary education.

Under Target No. 1, the strengthening and the improvement of the regional management of the primary education system, will be the starting point of the Mission's assistance. It will assist both the central and selected regional governments in rationalizing and sharing the management of primary education in a decentralized system. USAID assistance will influence and help with the implementation of major organizational reforms associated with decentralization.

Under Target No. 2, the Mission's program strategy addresses two interrelated program areas, mainly: i) improved quality and ii) enhanced equity, both of which are to be achieved in an expanded primary system. The program will influence policy, budgetary, administrative and institutional reforms; will undertake a major effort to strengthen pre-service teacher training and other inputs; and will instigate community-based school-level improvements; with all

of these aimed at effecting fundamental systemic improvement in quality and equity.

USAID/Ethiopia's BESO Program and Project will combine policy reform, training, technical assistance, commodities/equipment and logistical/operational support in order to achieve these critical targets. Non-project assistance (NPA), will play a significant role in both alleviating sectoral resource constraints and in helping the Ministry of Education (MOE) to undertake reform of policies and institutions which have both direct and indirect impact on primary education in Ethiopia. The NPA component is discussed under a separate companion Program Agreement between USAID and the Government of Ethiopia. While NPA is critical to creating a policy and institutional reform framework for the overhaul of primary education, the project assistance component described herein will support or enhance the capacity of the MOE, centralized institutions¹, Teacher Training Institutes (TTIs), regions, zones, woredas (districts), and schools in implementing the reforms, managing the increased resources being made available, and carrying out the training, grants management, research and other activities which will be required.

II. Project Framework

Ethiopia's basic education system cries out for improvement. The system is not serving the country's future generation in terms of quality, quantity and equity. Only about 22% of the age cohort is enrolled in primary schools, with many of these students denied adequate quality instruction. Vast numbers of the rural population and females lack opportunity for schooling. Radical education reform is vital. Economic development in Ethiopia cannot be sustained without a much broader and stronger human resource base. Developing Ethiopia's human resources will take many years. Improvements in primary schooling, the focus of USAID/Ethiopia's assistance, will lay the foundation for human capital development and, in the long run, have high economic and social pay-offs.

Many constraints exist to achieving meaningful and sustainable improvements in primary schooling. For example, the curriculum needs reform, texts need improvement, instructional radio needs to be made more inter-active. Several donors are and have been assisting MOE in many of these areas. Despite such important efforts, it is USAID's conviction that emphasis must be given primarily to overhauling the way the system operates, and, except for the supply of teachers, not quite as urgently to the way specific curricular and instructional inputs are developed and provided. For this reason, and for the next several years, Ethiopia's major challenge in the primary education sector will be to

¹ These include the Institute for Curriculum Development and Research (ICDR), the Education Mass Media Agency (EMMA) and the Education Materials Production and Distribution Agency (EMPSA).

create a system which provides quality instruction on a significantly larger, more equitable and sustainable basis.

This challenge is made more complex due to the recently started decentralization of the system, whereby regions are becoming increasingly responsible for the delivery of educational services to their constituents. In this planned major education system overhaul many problems are already evident, especially the severe lack of institutional, human and financial resources required at the regional and sub-regional levels. Moreover, many challenges related to the implementation of the new mother-tongue language of instruction policy have surfaced. In addition to regionalization, financing and language issues, attention must be given to planning and management, and to developing the capacity to analyze information and make informed policy decisions. How rationally and effectively each of these issues is handled by the center and regions will determine the strength of Ethiopia's basic education sector for decades to come.

The fundamental principles of the approach employed in the BESO program are that for the needed sectoral reforms to be successful they must be shared, systemic, systematic and sustainable. BESO will dedicate its implementation strategy around these principles. Commitment to the reforms must be widely shared by the parties affected for them to work. These include the relevant TGE ministries, regional and lower level administrations and education offices, teacher training institutions, schools and communities. The changes must occur both systemically and in a systematic way, i.e., throughout and within established (or reformed) sectoral units and procedures.

Conceptually and strategically, the program will work both from top down and bottom up -- using a systems approach. The program will simultaneously work at and affect four levels of the system: (1) central, (2) regional-zonal-woreda, (3) TTI and (4) school. Unfortunately, BESO resources will not be adequate to assist all regions equally. So as not to dilute its impact, the program will concentrate resources primarily on two regions -- the Tigray and the Southern Ethiopia Peoples Region (SEPR). These regions were chosen based on their demonstration of commitment, capacity and ability to meet sector objectives. Project-funded assistance will be available where this will enhance the regions' abilities to be effective, without compromising BESO sustainability and system-building objectives. While project resources to further regional capacity and system building will be concentrated on two the regions only, BESO will explicitly aim to multiply regional gains and lessons to the other regions of the country.

School-level improvements in quality and equity will be the focal point of all BESO efforts. Reforms in the overall system will be pursued from the perspective of how they can contribute to school-level improvements.

Importantly, the starting point for configuring USAID-assistance will be the regional administrations, with a principal focus on its changing role and responsibility in managing and supporting an efficient and effective primary system. Clarifying the role and responsibilities of the MOE and parastatals regarding their direct and indirect support to the primary system (from regional administrations to schools) will also be of critical importance.

Since teacher preparation is so central to the quality of instruction and learning, TTI improvements will also receive strong program emphasis. Project attention will be directed primarily to the three TTIs (Awassa, Arba Minch and Adwa) in the two regions in order to maintain the systems approach to achieving the program's objectives. However, efforts to demonstrate TTI organizational and program improvements on a wider basis will be undertaken.

All of the above described efforts in improving the primary system are of no value unless they lead to direct improvements in quality and equity in the school. Therefore, the BESO program will focus attention and project resources on effective school-level changes, concentrating particularly on issues of school management (for quality and equity improvements) and community involvement. It is of vital importance that schools and communities sense that they have power to make changes, that they feel a sense of ownership, and that they both be allowed and motivated to take charge of the success of their schools. To initiate participation of various community members and school leaders and to promote school-level innovations, BESO will provide some direct assistance to schools in cooperation with local partners (local and international NGOs, community-based organizations and local education administrations). Precise specification of that assistance will not be known until work begins with the schools, for this assistance must be based upon locally assessed conditions and determined needs. Successful and sustainable improvements at the school-level will be showcased to inform and redirect efforts at higher levels of the system.

Strong efforts will be made to improve gender equity at all levels of the system. Project resources will be made available to support programs to increase the access and success of girls in school, female teachers, female TTI instructors and trainees, and female school directors.

Successful attainment of BESO's purpose is expected to result in greater participation rates, higher primary completion rates, improved student achievement, increased efficiency through reduced dropouts and repetition, and a reduction of gender biases in the system.

BESO is designed as a seven-year program. However, experience in other countries and the magnitude of the task in Ethiopia suggest that significant impact on children and their communities will require sustained efforts over a longer term. Even assuming BESO's success in achieving its purpose, by the

end of the program much will remain to be done. Therefore, it is anticipated that a follow-on effort will be needed in order to continue the momentum established by BESO and realize substantial system-wide gains in the quality of the learning experience available to children in their classrooms.

III. Project Elements and Implementation Plan

To achieve the program purpose, BESO will target its project assistance to five supporting objectives:

I) Improved quality and equity of the primary school environment

Rationale: The BESO program's central programmatic principle is that any intervention must be designed from the vantage point of the school. Too many supply-side, top-down efforts at improving schools have been tried with little noticeable effect. The school-community nexus must be strengthened, the school director empowered and an environment for change nurtured. The possibility of working with NGOs, WEOs and other local partners to further these objectives, and of building their capacity to provide assistance under the cooperative agreement component must be explored. Support from the upper levels of the education system will also be necessary. The policy and regulatory framework must favor the objectives of school-led change. Local education offices, school governance boards, and elected councils, must be supportive. Institutions, such as the TTIs and mass media/pedagogical centers, can also be part of the support system, for these have potentially important roles in providing training and other continuing support, particularly for school directors and teachers.

Sub-Objective 1.1: Stimulate parental and community involvement in primary school improvements and provide resources directly to schools and communities to develop and implement strategies to improve the quality and equity of schools.

This BESO component concentrates resources on leveraging and sustaining school level improvements in the quality and equity of basic education. The BESO Program recognizes that communities and parents already play a significant role in planning and financing school operating expenses. BESO will work to strengthen school-community relations by assisting NGOs, WEOs and other local partners to provide technical assistance and logistical support to schools and communities interested in improving the quality and equity of basic education.

To implement school-based quality improvement, schools/communities must have a common vision or understanding of what they want to do, an inclusive process in place for planning and revising plans, resources for implementing

plans, management capacity to keep the process moving, and an enabling legal and policy climate that supports community involvement in qualitative improvement. BESO will support analysis of options and codification of a policy establishing legal guidelines for school governance and a clarification of the roles and responsibilities of appointed school committees, elected school boards and other bodies. Furthermore, BESO will seek to improve the capacity of schools and communities to raise and retain revenue by encouraging policymakers to make explicit the ways and means open to schools for raising funds to cover operational expenses, capital improvement, or other costs not currently covered by centralized allocations.

1.1 Critical Project Activities

Support to policy reforms: BESO will provide technical assistance and logistical support to central and regional education bureaus to enable them to conduct policy analyses and review of the legal and financial structures that pertain to school-based improvements, as well as technical support for the development and enactment of school quality standards.

Development of school strategic plans: The key to success of the envisaged education system overhaul is that it change parents' attitudes towards and give them more information about how they can participate in the schooling of their children. TGE policy intends to pursue greater autonomy for all educational institutions in their internal administration and in designing and implementing programs in coordination with democratic leadership -- boards or committees consisting of members of the community, teachers, students, etc. BESO will provide technical support as needed, through local partners to a substantial proportion of schools in the Tigray and SEPR regions to help guide communities through an inclusive strategic planning process that brings stakeholders together to re-examine the mission, objectives, resources, methods, or content of the school in the context of its community. BESO will provide modest (up to \$500) financial assistance to the school governance board of every targeted school/community that successfully submits an initial strategic plan for improving school quality. Gender and equity sensitization issues will be raised during the strategic planning process. BESO's local partners will also provide communities with feedback on their initial strategic plans. They will offer additional technical assistance to schools interested in going through a second, more detailed planning cycle. Communities that successfully submit a second level strategic plan for improving school quality will receive a second, larger (up to \$1,000) assistance grant to the school governance board. The purpose of this lump sum assistance is to provide seed money to the community to implement part of its plan.

Provide incentive grants to schools: A sub-set of the strategic plans described above may serve as a basis for identifying resource needs at the school-level.

Communities whose plans include viable proposals for modest BESO assistance will be encouraged to submit their plans and proposals to a BESO incentive grant review committee for consideration. Grants will be in the \$5,000 range and over the life of the project up to one-third of those schools which received previous BESO assistance will receive these additional grants to put their proposals into action. Local partners will build on relationships developed during the strategic planning process. The NGOs or other local partners will continue to provide grantees with technical assistance and training to help them carry out their projects and meet the terms of their grant agreements. At least 20% of the school grants will be awarded to communities/schools to implement activities aimed at increasing the access and success of girls.

Assess Interest and Build the Capacity of Local Partners: Ethiopia's growing NGO community is beginning to take an interest in providing services in the education sector. Local NGOs provide BESO with the potential for sustaining program efforts implemented outside of but in collaboration with government channels. Identifying potential local NGO partners, building their organizational, institutional and technical capabilities through staff development, training, and logistical support is a clear objective of the BESO project. To implement activities associated with this objective, BESO will work through an international PVO partner and other strong indigenous NGOs with experience in working with local partners (especially NGOs) and with managing BESO sub-grants.

Facilitate the coordination and dissemination of lessons learned at the school level: One role of the education system is to enable, coordinate and disseminate lessons learned from stimulating parental and community involvement in qualitative school improvements. At the local levels, BESO will provide zone and/or woreda education offices with training in understanding and evaluating school-based quality and equity improvements. Local education officers will visit grantees to discuss their progress and describe the impact of projects on the quality of education. In addition, the education offices will analyze and report on their findings.

BESO will also provide logistical support to produce a series of broadcasts about the quality improvement efforts in different areas. The local education officer will be responsible for participating in initiating activities to inform communities/schools about the strategic planning and incentive grants program.

Sub-Objective 1.2: Establish an integrated School Leadership Development System.

It is widely recognized and agreed that one of the key factors influencing school effectiveness is the nature and quality of the leadership and management provided by each school head. Primary school head teachers (i.e., directors) are at times appointed based on longevity or mother-tongue language ability.

Training for them occurs during six-week crash programs run at TTIs during school breaks. Once so trained, the directors are essentially on their own, with little additional professional upgrading or support for the rest of their tenure. The way decisions are made on the assignment and transfer of directors needs improvement. The system does not provide extra salary for directors, but some benefits (e.g., housing, status) may exist. To begin to address this, BESO will seek to establish terms and conditions of school director selection, recruitment and service. In addition, the BESO program will support constraints analysis and policy research aimed at identifying conditions, policies and procedures that mitigate against women assuming leadership positions. BESO will then advocate reform policies as a means to alleviate some of the constraints on women's advancement in the education system.

1.2 Critical Project Activities

The School Leadership Development System will support improvements in the quality of school effectiveness by improving the nature and quality of leadership and management by: i) establishing a system in which professional support and development of school leadership is conceived as an on-going, coherent and integrated process; ii) employing a change model for school leadership that values incremental and continuous improvement, and iii) understanding that school directors have two sets of responsibilities, as chief executive and as lead professional and, therefore, leadership training and development must build competencies in both areas of responsibility. Specifically, under this sub-objective, BESO will support the following interventions.

Development of continuous, field-based in-service training for school leaders: Appropriate training programs and materials to support the empowerment of school directors are lacking. Training for school leadership will be developed under this sub-objective as an on-going, in-service activity. To deliver this training, the program will intersperse formal short-term residential training (up to two weeks) held at the woreda or zone level one to three times a year with on-going self-study, distance, and small peer-group activity. The content will address both administrative and instructional leadership issues. This in-service training will not replace existing school director certification or training programs but will build upon existing knowledge to supplement, complement and extend present training to reach a wider audience of practicing school directors, vice-directors, inspector/supervisors and school governance body leaders. A BESO management training advisor will organize inclusive and participatory processes to develop goals, training materials and in-service delivery system for school leadership teams (directors, vice-directors, inspector/ supervisors and school committee leaders).

Development of local peer support networks: A support environment must be created in order to enable school leaders to implement and sustain incremental

improvements in management practice. During short-term residential training courses held at the woreda level, school directors will be organized into school clusters based on geographic proximity. Directors will be encouraged to set regular bi-monthly or monthly cluster meetings to continue training activities in small study groups, share experiences, encourage peer learning and professional development. Woreda-level school inspector/supervisors will participate in those meetings whenever possible. The BESO management training advisor will organize a process whereby local peer support networks are established. These woredas will be the same as those participating in the School Leadership Development In-Service Training activity described above.

Development of site-based management teams: BESO encourages a collaborative and inclusive approach to improving the quality of schools through improving school management. Through the efforts of the Prime Implementation Contractor the project will directly support the development of site-based management teams through the inclusion of modules on leadership teams and site-based management in the Ethiopian school contexts within the in-service school director training component. In addition to encouraging team-based approaches to routine school management, the BESO project will support specific team management activities such as a self-study to identify school factors or practices that exclude entrance and persistence of girls. In addition, BESO-provided technical assistance will organize a process for developing curricula and materials and delivering training to woreda education staff (and appropriate zonal and regional-level education staff) on how to support, monitor and assess site-based management teams.

Sub-Objective 1.3: Improve teacher motivation.

Teacher motivation constitutes one of the limiting constraints on school-level quality improvement in Ethiopia. Low levels of teacher motivation can be attributed to economic (e.g., inadequate compensation), social (e.g., low esteem of teaching profession), and professional (e.g., desire for training and career improvement) factors. The BESO Program's approach to improving teacher motivation includes support to government's on-going efforts to: i) improve the terms and conditions of teachers' service, ii) enhance the role of the teacher as reflective practitioner within the school environment, and iii) improve the support services delivered to teachers in schools.

1.3 Critical Project Activities

Revised and improved terms and conditions of teacher service: Improvements in the teaching conditions for all teachers will attract better qualified teachers, the teaching profession will recoup recognition, and teachers will be more adequately rewarded for good work. Under the prime implementation contract or through a separate buy-in to a central USAID education project, BESO will

provide assistance to the TGE in examining its policies regarding the terms and conditions of service and in developing a career ladder for teachers.

Enhance the role of teachers within the school environment: Under the school leadership development sub-objective described above, BESO will support the reformulation of the school environment to incorporate a more supportive school-director role and a team-based approach to school management. School director training aimed at improving directors' capacity as lead professionals in their schools will include modules designed to improve the support and training school directors can provide to their teachers. This component will be implemented by BESO's prime contractor.

Improve teacher support services: Teachers are given very little institutional support for their professional growth. Pedagogical centers were intended to provide some assistance in this regard, but they are barely functioning. School inspectors were originally meant to deliver on-site advice to teachers, but over the 17-year Derg era they became forces for monitoring regulatory compliance and imposing ideology directives. There is recognition that the behavior and attitudes of the inspectors must change, probably through re-training, but overcoming the widely held negative views of them will take a long time and significant demonstrations of role reversal. BESO support to improved decentralized administration and management (Supporting Objective 4) includes assistance to help improve the capacity of WEO to deliver support services to schools. Under this sub-objective, BESO will also advocate and provide assistance for redefining the roles of and retraining WEO or ZEO-based inspectors so that they are better able to support teachers.

Sub-Objective 1.4: Increase access and success of girls.

Given the tremendous variation in reasons for low female participation, retention and achievement throughout Ethiopia, each community, school, woreda, zone and region needs to reflect upon its local situation and determine locally appropriate approaches for sustaining equity. The BESO program's approach combines policy reforms aimed at removing barriers to female participation and success in education, local research into school and non-school reasons for low female GERs, and sensitization and action planning workshops at the national, regional, zonal, woreda and school levels. BESO will encourage policy dialogue on minimum equity standards in terms of both access and success of girls in basic education. Furthermore, BESO will assist in the process of codifying the agreed-upon minimum equity standards.

1.4 Critical Project Activities

Understand local reasons for low participation and poor performance of girls: There is capacity in Ethiopia in the area of gender and equity research at the

University, Ministry of Education, NGO community and local consultant sector. Using such local capacities, BESO will directly commission and coordinate applied research on gender in education.

Identify and take appropriate action at each level of the system that enables girls to be successful students and women to be successful teachers and leaders: The BESO project plans to buy into a USAID/Washington centrally-funded project with a focus on gender issues and development to access a global knowledge/ experience base to help plan and implement a coherent strategy for addressing issues of gender and other inequities throughout the Ethiopian education system.

BESO can assist in the organization of a process for developing a gender sensitization workshop format appropriate for Ethiopia. In conjunction with these activities, BESO will provide support to implement systemic changes. These could include: i) improving equity in resource allocation, ii) developing affirmative action policies for recruitment, training, support and advancement of female education staff at all levels, iii) developing terms of service for directors and teachers that provide incentives to improve equity, iv) increasing community support for female professionals, and v) providing equity sensitivity training for directors and teachers.

2) Improved efficiency and effectiveness of key quality-related services

Rationale: Activities under this supporting objective are aimed at improving the efficiency and effectiveness of the services provided by ICDR, EMPDA and EMMA, three institutions responsible in the past respectively for all: i) national-level curriculum development, textbook writing, and research and evaluation, ii) textbook editing and printing and educational materials production, and iii) educational mass media production and evaluation.

Traditionally, very little of the output of the ICDR, EMPDA, and EMMA has had tangible impact on children in their classrooms, especially in rural areas. For a variety of reasons, there is an enormous gap between activity at the central and, increasingly, the regional institutional levels, and activity at the school level. Addressing this systemic failure, and finding ways to work productively with the central institutions in this effort, is a major challenge facing the newly created regional departments. Connecting more directly with their base and constituency -- schools, children, teachers and communities -- will be a major responsibility as i) new departments in charge of curriculum, textbooks, and educational media invent themselves at the regional level, ii) ICDR, EMPDA and EMMA reinvent themselves at the central level as providers of services and technical assistance to the regions in areas that relate to primary education, and iii) the two levels explore and define new ways of working together. Although present policies outline the general mandates of the central and the new regional

Institutions, lack of clarity in details invites continued central control and provides an obstacle to the development of capacity at the regional level to deliver quality school-related services.

There is presently little meaningful evaluation carried out at the school and classroom level of the pedagogical effectiveness of the basic instructional design, or curriculum; little is known about how teachers teach, how they impart or create knowledge in the classroom, or, more importantly, what and how children learn. Similarly, there is little systematic classroom-based evaluation of the design and use of textbooks and radio broadcasts. There is an urgent need to introduce strong school and classroom-based evaluation programs which involve community dialogue and participation, to make such evaluation a permanent part of the system, and to establish mechanisms by which evaluation informs an on-going process of curriculum development and improvement.

With regard to the production and distribution of educational materials by EMPDA, particularly textbooks, cost-effectiveness has never been seriously considered, although many rural schools face severe shortages of and delays in receiving these materials. There is an urgent need for information on the cost-effectiveness of alternative public and private sector means of producing and distributing educational materials, most critically, textbooks.

Sub-Objective 2.1: Develop the technical capacities of the regional curriculum, educational materials, and media departments

With the advent of regionalization, responsibility for i) developing primary school curriculum, ii) writing and designing textbooks and radio broadcasts, and iii) arranging for the printing of textbooks and the provision of other primary school-related materials has devolved to the regions. The present lack of technical capacity at the regional level to carry out its new mandate constitutes i) an obstacle to the successful devolution of responsibility, ii) an obstacle to the quality of teaching and learning, and iii) a vacuum in expertise that allows centralized institutions to maintain authority and control. BESO will pursue government commitment at all levels of the education sector to the importance of developing strong capacity at the regional level in the development of curriculum, writing and design of textbooks, and the production of radio broadcasts for primary schools. Along with this, government commitment to strengthen the support and service functions of ICDR, EMPDA, and EMMA will be sought.

2.1 Critical Project Activities

Improved regional curriculum development capacity: Specialists in curriculum development, testing/measurement, evaluation, materials production, and radio

programming, are some of the skills that will be required if regions are to assume responsibility for these key educational quality-related services. BESO will support, through technical assistance, training, and logistical support, activities aimed at i) widening the knowledge of regional curriculum development staff of a range of ideas concerning instructional design and school and classroom-based evaluation methods, and ii) encouraging dialogue at the regional level, between region and center, among regions, and, most importantly, at the school and community level, on the nature of relevant and effective curriculum. BESO will also provide technical assistance and training to develop regional and central skills in the areas of student assessment and testing and examinations.

Improved regional textbook and media design and development capacity: BESO will support similar activities aimed at building the capacity of those who i) write, edit and design textbooks and ii) write and produce radio broadcasting materials through widening knowledge of current ideas and techniques in these fields, with accompanying activities to encourage dialogue at the regional level, between region and center, among regions, and at the school and community level.

Improve capacity of central institutions to support regions: National-level service organizations need to purposely alter their "vision" to emphasize their service functions *vis-a-vis* regional bureaus, and to de-emphasize their roles as sole providers of curricula, materials production, educational programming and planning. As these functions devolve to the regions, national organizations will need to provide regional counterpart offices with training, technical guidance and analytical or evaluative information, that can more effectively or efficiently be implemented and provided under a decentralized administration. In conjunction with the two above objectives, BESO technical assistance and training will also be made available to support the development of the capacity of ICDR, EMPDA and EMMA to provide support and technical assistance to counterpart departments in the regions. Possibilities will be explored of involving relevant branches of Addis Ababa University in such support activities, particularly the Institute of Educational Research and the Faculty of Education.

Sub-Objective 2.2: Institutionalize mechanisms and technical capacity to monitor and evaluate the pedagogical-effectiveness and assess the cost-effectiveness of quality-related services

Developing effective instructional design and educational materials is entirely dependent on mechanisms to evaluate their effectiveness and integrate evaluation material systematically in a process of feedback into the system which constantly addresses questions of purpose and relevance. Evaluation which contributes to the improvement of curriculum and educational materials, however, must be based in school and classroom processes about which

conventional input/output studies of schooling have little to say. This will require a change in thinking about what constitutes legitimate research and evaluation at all levels of the educational establishment in Ethiopia. Understanding of the value of classroom-based studies using qualitative techniques does exist at central and regional levels, but there is little expertise on carrying out such studies and, because they are generally undervalued in comparison with large survey-based studies using quantitative techniques, little support is provided. BESO will support activities aimed at broadening the understanding and acceptance of a variety of evaluation approaches and mechanisms.

2.2 Critical Project Activities

Development of permanent, decentralized capacity to monitor and evaluate the pedagogical-effectiveness of educational inputs and interventions: To assist the MOE conduct initial evaluations of the effectiveness of curriculum, educational materials, educational media and examinations and to begin to develop a permanent capacity in the sector to monitor and evaluate input effectiveness, the BESO program will provide through the prime implementation contractor i) technical support and training to carry out sample-based studies of the impact on student learning of textbooks and other materials and of educational radio broadcasts; ii) technical advice on how to plan for and carry out such studies; iii) training, technical support and advice, and possible study tours aimed at exposing key administrative and technical personnel in regional departments and in ICDR and EMPDA to different approaches to curriculum and materials development, production and distribution; iv) training, technical support and advice, and possible study tours aimed at exposing key administrative and technical personnel in regional departments and in EMMA to different approaches to the development and use of educational media.

School-based capacity to monitor pedagogical effectiveness: The single biggest problem with relation to the provision of quality-related services to primary schools is that the services do not reach the schools in sufficient quantity, particularly schools in rural areas, and that the consumers of the services, children, communities and teachers, have very little voice in shaping or evaluating the services provided to them. One fundamental way of introducing change and nudging the system in the direction of responsiveness to its base, is to empower that base and draw it into various activities related to school quality and relevance. In conjunction with the school-based efforts outlined under Supporting Objective 1, BESO-supported interventions at that level will also incorporate school-level activities aimed at involving teachers, students and community members in the evaluation of curriculum, textbooks and radio broadcasts.

Evaluation of cost-effectiveness of curriculum, mass media and textbook production and distribution: BESO's prime contractor will assist and support

cost-effectiveness studies of the design and production of educational materials. In addition, management consulting for EMPDA, EMMA and ICDR could be provided to furnish advice to these agencies on how to improve organization, staffing, operation and general management in order to maximize efficiency. BESO would also fund assistance to help carry out a study of private or non-governmental-sector potential for activity related to the development, production and distribution of quality-related goods and services.

3) Improved quality of pre-service teacher training

Rationale: The TTI system in Ethiopia in general suffers from numerous inadequacies and constraints relating to physical facilities, recruitment of staff and trainees, training curriculum and instructional methods, relations with communities and schools, and administrative relationships with the REB, ZEO, WEO and other educational offices and institutions.

Of particular concern however, are constraints relating to the pace and orientation of TTI reforms, as well as the need to sort out assignment of responsibility among central, regional and institutional-based authorities. With the new educational policy announced, there is the perception at the central level that new primary education and teacher training curricula need to be produced in a very short time. The time planned between the proposal and implementation stages may be inadequate to deliberate thoughtfully upon the profiles of the learners and teachers, the issue of generalization versus specialization, the integrated and the linear approach to subjects, and effective connections between the school and the world of work. In curriculum development, time is also needed for trial and revision of materials before nationwide implementation.

A further constraint stems from the fact that the new primary education and teacher training program is being planned and developed by experts in secondary education. Those who prepare curriculum and train teachers have not had primary teaching experience or any courses oriented toward children and the early years of schooling.

A more powerful role in influencing teacher training will be played by the regions and institutions themselves. Presently these organizations are gaining understanding of their new roles and responsibilities, and planning on how to acquire necessary resources and how to train staff which is often new, inexperienced and lacking the expected academic qualifications. Currently, the central MOE is often seen as more knowledgeable in matters of curriculum and training and thus having most of the answers. Areas of decision-making authority are being delineated between the REB and the TTIs and between the TTIs and the MOE; yet during the transition, boundaries remain blurred.

Sub-Objective 3.1: Recruit better quality entrants into teacher pre-service training.

With the advent of regionalization, the MOE is setting regional quotas for training primary school teachers; regions without TTIs are allowed to send selected trainees to the neighboring regions. Under the current administrative structure, the REB is responsible for recruiting trainees for TTIs. The actual recruiting is done by a selection committee at the woreda level. The TTIs do not participate in recruitment decision-making and the current process does not permit institutes to select entrants on the basis of demonstrated competencies, or at a minimum, motivation and interest in teaching. To improve the quality of TTIs entrants, numerous reforms in admissions criteria and practices are needed. BESO will also support analysis of the implications for pre-service teacher training of new education policy decisions relating to reform of the teaching profession and teacher career structure, the appropriate school leaving level for primary teacher training, primary school curricula, and the establishment of stricter admission criteria and strengthening the role of the TTI in recruitment and admission of training candidates.

3.1 Critical Project Activities

Support to policy reforms: BESO will provide through its prime implementation contractor technical assistance as required to help conduct policy analysis, study cost implications of different policy scenarios, and/or facilitate dialogue on key areas of policy reform related to improving the quality of entrants into pre-service teacher training. Issues for analysis include (1) options for restructuring the teaching career ladder and improving the terms and conditions of employment of teachers should be analyzed from the perspective of what package could best address the present constraints on teacher motivation (particularly the ability of the profession to attract well qualified teacher training candidates); (2) appropriate entry level for primary teacher training; and (3) the development of quality-based admissions and selection criteria, entrance exams, and application procedures.

Sub-Objective 3.2: Greater numbers of women entering and completing pre-service teacher training.

The current level of female participation at TTIs is low; women constitute less than 30% of TTI enrollees. Current policy regarding recruitment of female candidates has women and men competing directly for 80 percent of trainee slots, with priority given to women candidates who score at the same level as men. The remaining 20 percent of places are exclusively allotted to female entrants in which case, the secondary school exam scores required of female entrants may be lower than the minimum required for the first 80 percent. The new education policy calls for an increase in female entry to the teaching

profession. BESO will actively support policy reforms and specific affirmative action interventions intended to help promote female entry to TTIs, support systems for female TTI students, academic remediation programs and recruitment of more female TTI instructors.

3.2 Critical Project Activities

Support to policy reforms: As indicated in the discussion of the reform objectives linked to this BESO sub-objective, technical assistance, training, and project support would be provided as needed to help conduct analyses, develop policies and programs, and implement interventions intended to improve female participation and success in pre-service teacher training.

Development of female student teacher support systems: BESO will provide through its prime implementation contractor technical assistance, training, advice and some direct funding of activities to help put in place support mechanisms for women enrolled in TTIs. BESO Project supported interventions could include such efforts as i) gender sensitization for staff and students; ii) academic remediation sessions for women trainees; iii) training for female guidance and counseling staff; iv) improved living conditions in the women's dormitories; v) forming female student associations and support networks; vi) financial support for female trainees and scholarships for best women graduates. Provision of assistance in these areas to the three concerned TTIs would be conditioned on demonstrated commitment at the TTI level to the types of policy reforms advocated under this sub-objective.

Analysis of the constraints and problems faced by female TTI students and primary school teachers: Better understanding of the particular problems faced by women seeking to become and working as primary school teachers will lead to informed policy and program decisions on how best to promote greater gender equity in the teaching profession. BESO will provide both through its prime implementation contractor and directly support to research and analysis of these issues. This could include such areas of concern as the living and working conditions for female teachers in rural schools, the gender biases inherent in school environments, etc. The BESO project would also advocate and support policy dialogue on how best to address the issues raised through the research and analysis.

Study of positive cases: BESO will provide through its prime implementation contractor technical assistance to help study cases where zones or woredas are proposing more female TTI candidates, where TTIs have been successful in recruiting greater percentages of women, and areas where women teachers feel their working conditions are supportive. These case studies could provide lessons on how best to support and promote female teachers. BESO would also assist in the promulgation and dissemination of these lessons.

Sub-Objective 3.3: Improve the quality of pre-service teacher training instructional program.

The quality of training delivered in the Teacher Training Institutes depends on several factors. BESO will address issues related to improving the curriculum and instructional methods in the target TTIs, upgrading the quality of TTI staff, improving their conditions of service and updating their knowledge and practices, addressing the lack of suitable instructional resources, adequate and appropriate practice teaching, as well as TTI organization and management capacity. In addition, BESO will undertake a critical analysis of the resource and pedagogical implications of the proposed two cycles of primary schooling and teacher training.

3.3 Critical Project Activities

Improvements in TTI curriculum: In conjunction with BESO support of reform of TTI curriculum, the BESO project will provide through its prime implementation contractor technical assistance, training and some resources for developing, testing, and implementing new TTI curricula. BESO would seek to support the development of permanent capacity at the TTIs to review, evaluate and re-assess instructional content, orientation, and methods, as well as the development of materials. Specific technical support would also be provided to reorganizing and improving the implementation of supervised practice teaching. Attention would be paid to linking TTI curriculum to changes in the primary school curricula and to the development of new materials and methods. BESO technical assistance would also help the TTIs coordinate more closely with the development of radio instructional programs (in particular in conjunction with the monitoring and evaluation of the effective use of radio being carried out under Supporting Objective 2).

Professional development of TTI staff: In addition to promoting a policy of ongoing professional development for TTI staff, BESO will provide through its prime implementation contractor direct technical assistance to aid in the elaboration and implementation of in-service staff training and development. Staff development would be fostered by an improved working environment: furnished office space, reference materials in their subjects, and training. Short-term training should emphasize subject methodology and professional courses. If planned cooperatively with Bahir Dar or the Faculty of Education and international technical advisors, a positive effect might be seen on both the trainers of trainers and the TTI staff. Short-term training need not be confined to the focal TTIs; it would cost very little more to include staff from other TTIs in the country. Such training should involve not only campus-based sessions but also work with pupils in nearby primary school classrooms. Since the new education policy sees the TTI as a center for research and evaluation as well as teaching, this area should receive particular attention in staff development.

Short-term technical assistance could include training for staff in action research and evaluation techniques and planning, in cooperation with the WEO, ZEO and or REB, useful small-scale studies. The studies could be carried out over the period of the school year, with intermittent visits by the technical advisor.

Improvements in the instructional environment: Where necessary, BESO could provide either through its prime implementation contractor or through direct funding for instructional resources and equipment. Instructional resources are an important missing component of pre-service teacher training. The most basic should be supplied initially, with additional resources planned for in conjunction with the emergence of new curriculum, new teaching methods and new learning needs. TTI libraries could benefit from BESO support. Science laboratories are not necessary, but BESO could support setting up "science environments" rich in locally available resources and "low-tech" equipment and flexibly arranged for creative teaching and learning.

Improved TTI administration and management: As TTIs receive greater authority and increased budget management training will be needed and important. BESO will support through its prime implementation contractor training for TTI administrators in such areas as office management, staff supervision, personnel management, planning and budgeting and financial management. Technical assistance and training would be provided in these areas according to identified needs. Training should be short-term and focussed on one specific issue in each session. All TTI principals could participate in short workshops, held at a different TTI on each occasion. Technical assistance could be obtained from private management consulting firms established in Ethiopia. Management training should lead to improvements in the information, communication, and transport systems of the institutions. Another less formal way of BESO support to developing capacity would be through support of meetings and exchange visits of TTI management personnel and occasional visits to exemplary teacher training institutions in Africa.

Sub-Objective 3.4: Improve the quality of teachers produced by TTIs.

BESO's supporting objective of improving the quality of teacher pre-service training is predicated on the assumption that improvements in that training will lead to tangible results in primary school classrooms. An important aspect of realizing this objective depends on the extent to which pre-service training is linked to standards of teacher performance in the classroom and to the extent to which TTIs can monitor the progress of their graduates.

To this end, BESO will support the development of policies on TTI graduation and official certification that permit the establishment of minimum performance standards for entry-level teachers. Furthermore, BESO would require that adequate resources be made available to ensure operationalization of

certification and graduate follow-up and support systems.

3.4 Critical Project Activities

Development of permanent TTI capacity to monitor and evaluate the performance of graduate teachers: Once a certification plan is developed, its effective implementation will depend upon sound methods of assessment of the performance of students in the TTI and new teachers in classrooms. BESO supported training through short-term technical assistance in research, monitoring and evaluation for the REB and the TTI would include establishing and applying performance-based criteria, as well as preparing and administering improved examinations. BESO technical assistance and training provided through its prime implementation contractor will also support the establishment of research, evaluation and monitoring units at TTIs and strengthening those in education bureaus and offices, as intended in the new educational policy and plan. This will constitute an important element in the development of a system to follow-up TTI graduates. BESO would advocate, as mentioned above, adequate recurrent budgeting for all aspects of implementing such a graduate evaluation system. Technical assistance would focus on training in methods and organization.

Improve TTI graduates' methods in assessment of student learning and in evaluation of instructional effectiveness of different methodologies, materials and inputs: In conjunction with the BESO objectives pursued under Supporting Objectives 1 and 2, TTI training programs and graduate follow-up and support systems should include development of teacher capacity in the areas of self-evaluation, student assessment, and evaluation of instructional effectiveness of various classroom interventions. WEO personnel should be included in the development of these approaches and practices so as to foster the development of a permanent school-effectiveness and monitoring and feedback system. BESO will provide through its prime implementation contractor technical assistance to help establish the links between the various offices and institutions and to help develop the techniques and skills needed to administer such a program.

4) Improved decentralized management of primary education

Rationale: Regionalization in the education sector has not only led to the creation of education offices at new levels in the system, but it is also engendering a rethinking of roles and responsibilities at the different administrative levels. As regional, zonal and woreda education offices take on most of the line functions previously assumed by the central MOE, they need to develop specific administrative and managerial capacities while the MOE learns to fill other functions of coordination, policy development and analysis.

Some regions, zones and woredas that inherited basic administrative infrastructure have welcomed the opportunity to assume new responsibilities, while others may remain dependent on assistance from the MOE. This wide range of capacity and willingness to assume responsibility stands out as the most striking characteristic of the education system during this period of transition. The diversity in administrative competency is even more severe at the lower levels (ZEOs and WEOs), where there is great heterogeneity in staffing patterns and personnel qualifications.

Given the heterogeneous nature of regional capacity and approach, USAID will pursue under BESO the improvement of key administrative functions at whatever level the system can best assure, within the pattern of responsibility and authority adopted by the region, the improvement of primary schooling. Essential to the development of an administrative system that is supportive of school-level improvement is the ability to minimize the growth of that system and to assure that the development of administration and management capacity is not accomplished at the expense of resources that could better serve to enhance educational quality. In addition to supporting the defining of various administrative roles within the system, BESO will require that a process of clearly articulating the delineation between central and regional authority and responsibility is pursued so as to avoid further confusion over which entities at which levels will assume responsibility for different policy, administrative and management functions.

Sub-Objective 4.1: To strengthen the institutional capacity of the Planning and Project Department of the MOE so that it can effectively serve as the policy and coordination center of the country's education system.

The restructuring of the MOE this past year included a redefinition of the function of the former central planning unit. As operational planning has devolved to the regions, the central Planning and Project Department (PPD) sees itself as more of a policy development and coordination unit. To that end, it will need to develop skills and capacity commensurate with assuring those functions. In particular this pertains to PPD's ability to conduct analysis of long-range objectives, to gather and analyze information pertinent to the development of sectoral policies, to track the evolution of the education sector as a result of implementation of national priorities, policies and mandates, to advocate for the overall allocation of resources required to develop the country's education system, and to coordinate various donor-funded efforts within the framework of national sectoral priorities and development strategies.

4.1 Critical Project Activities

Conduct an information needs assessment, develop an information system, and improve information use: BESO will support a re-evaluation of information

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system needs in the context of the implementation of regionalization. The Donors to African Education working group on education statistics has supported a National Education System Information System (NESIS) needs assessment in Ethiopia. However, since then, the roles of the center and regions have changed drastically, and with it the information responsibilities and requirements of the central MOE. Therefore, an updated needs assessment is a priority. That assessment should be conducted from the perspective of the information and types of analyses best suited to serve a policy advisory and coordination function. BESO will provide funding, probably under a buy-in to a USAID/W central education project, for a NESIS needs assessment update. On the basis of the needs assessment, BESO would then also provide short-term technical assistance and training in areas identified as necessary for the refinement of PPD's EMIS functions. This could include data analysis, policy indicator development, information presentation, modeling and report production.

Development of a policy analysis and advisory unit within the MOE: BESO will provide through its prime implementation contractor technical assistance to help develop a permanent policy analysis and advisory capacity within the PPD of the MOE. Long and short-term technical assistance and training would be provided to develop systems, procedures, and technical skills so that the PPD would be able to i) identify relevant educational policy issues, prioritize them, and establish the agenda for policy analysis activities; ii) conduct policy analysis and present its outcomes to policy decision-makers; iii) develop national strategic education plans in terms of direction, investment strategies, education quality and equity, internal and external efficiency, and other related national issues; iv) develop national educational standards; v) provide professional technical consultations to REBs and to other units in the MOE; and vi) liaise with other sectors as appropriate, especially on issues relating to national development.

Sub-Objective 4.2: Improve key administrative and management functions of the Tigray and SEPR Regional Education Bureaus.

The REBs have taken on the primary operational responsibility for administering the delivery of basic education. Most of the administrative and managerial functions previously assured by the central ministry are now being assumed by the REB. BESO will support the increase the REB capacity in four key administrative operations: information management, planning, resource allocation and resource management. Furthermore, in the interest of pursuing a streamlined approach to development of the education system's administrative apparatus, BESO would advocate an operational analysis of regional and sub-regional administrative offices.

4.2 Critical Project Activities

Develop school mapping, EMIS, sectoral planning, and budget development and financial management functions in the REB: BESO will provide through its prime implementation contractor two long term technical advisors to both the Tigray and SEPR REBs in educational planning and information use and in budget preparation and financial management. The objectives of these advisors would be to help develop regional systems, procedures, practices and technical capacities in the areas of school mapping, EMIS development, budget preparation and financial management. A primary goal of the technical assistance would be to help develop computerized systems for information use, educational planning, investment and recurrent budget projection and development and expenditure tracking. In addition, the long term advisors would be complemented by short-term technical assistance and training as needed in related areas such as data collection, data-base development, computer-based projection and simulation, accounting, procurement, and materials control and distribution and personnel management. Technical capabilities of REB staff would be enhanced in each of these areas, but the institutional capacity of the REB would be developed in an integrated system, linking information, planning, budget and financial management.

Sub-Objective 4.3: Improve key administrative and management functions of selected Zone Education Offices.

In the two regions where BESO will be directly active, the roles of the Zone Education Offices differ considerably. In Tigray, the Zone does not constitute a separate political layer within the regional structure. It is an extension or deconcentration of the Regional Executive Council's authority. In SEPR, Zones were originally configured as regions themselves. They therefore are considered separate political units within a regional affiliation. Given this difference, BESO strategy for the development of ZEO administrative and management capacity will have to respond to the different devolution of authority that may emerge in the two regions. In an initial phase, BESO support would focus on the development of ZEO capacity most critical to the ability of the WEO and REB to channel resources and services to the school level.

4.3 Critical Project Activities

Develop selected ZEO capacity in information use, planning, budget preparation and management as required: Depending on the education sector administrative authority devolved to the ZEO, BESO could provide through its prime implementation contractor technical assistance and training in the areas of data collection, database development, planning, budget development, and expenditure management and tracking. The technical advisors to the REBs could organize on-the-job training for ZEO officials in their respective areas as needs are identified. Likewise, short-term technical assistance and training would be available to the ZEOs as their administrative responsibilities evolve and

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specific needs arise.

Sub-Objective 4.4: Improve key administrative and management functions of selected Woreda Education Offices.

The WEO is the government administrative and support unit closest to the school level. The ability of the education system in Ethiopia to provide resources and support to primary schools depends on the development of WEO capacity to deliver those services. At present the education system in both SEPR and Tigray (and all other regions) is characterized by the breakdown of administrative and pedagogical support at the woreda level. Few, if any, resources, besides teacher salaries, flow from the woreda to schools. In fact, resources tend to flow in the opposite direction, with a percentage of school revenue serving as WEO operating budget. In the interest of keeping administrative overhead costs in the education system to a minimum, BESO will support the development of those capacities at the woreda level that will permit the WEO to serve school needs. Priority will be given to school director and teacher support, textbook and other resource distribution, and monitoring and evaluation of school effectiveness.

4.4 Critical Project Activities

Improve WEO capacity to channel resources to schools: The current administrative system lacks ability to provide resources to schools. A prime example of this is the distribution of textbooks and/or other educational materials. BESO will provide through its prime implementation contractor support geared primarily to helping WEO improve their capacity to distribute resources to schools. Short-term technical assistance and training would help the WEO develop, in conjunction with schools and communities, efficient procedures and mechanisms for resource distribution.

Development of WEO capacity to support school directors and to organize and provide regular school director professional development: In conjunction with the BESO interventions outlined under Supporting Objective 1, efforts under this sub-objective would contribute to the development of WEO capacity to organize and deliver continuous and regular training for school directors. Short-term technical assistance provided through BESO's prime implementation contractor would be made available to those WEOs where school improvement activities are being organized and where functional and staffing norms are being applied. This technical assistance would support the design, organization and implementation of school director training.

Develop WEO capacity to monitor and assess school-based initiatives and the support services they provide to schools: In conjunction with the strategy outlined under Supporting Objectives 1, 2 and 3, WEOs will need to develop

capacity, in collaboration with the regional office, to play an important role in supporting and assessing the effectiveness of different school-level initiatives. This would include implementing school improvements, monitoring the effectiveness of instructional practices and materials, and supporting teacher self and peer-evaluation networks. BESO will support through its prime implementation contractor the development of WEO capacity through technical assistance and on-the-job training intended to foster the development of the WEO as a focal point for drawing lessons from school-level experiences, developing new frameworks for understanding the dynamic of school-based initiatives, and disseminating information on best practices throughout the system. BESO support will pursue the development of the WEO as the conduit for transforming knowledge about education generated at the local level into systemic knowledge.

5) Increased and more rational and efficient sectoral financing

Rationale: The 1993-94 TGE budget demonstrated an important shift in government allocations. The social sectors in general, and education in particular, benefitted from the reallocation of resources previously consumed by the military budget and from projected increases in revenue. In both recurrent and capital terms, education received a greater share of government expenditure, particularly primary education. This is reflected in central as well as in regional budgets.

While it is encouraging to see government commitment to basic education reflected in its willingness to increase allocations to the education sector, and within the sector to primary education, an emphasis needs to be placed on the need to budget resources rationally as a function of sustainable expansion and a minimum standard of quality.

BESO efforts under this supporting objective are therefore intended to address three primary concerns: i) that sufficient government resources for equitable realization of qualitative improvements be available for primary education, ii) that the public sector cost burden associated with the provision of education be alleviated through diversification of sectoral financing and institution of cost recovery where and when practicable, and iii) that resources that are made available for the education sector, in particular for primary education, be used efficiently, rationally and effectively.

Sub-Objective 5.1: Increase availability of non-salary resources for primary education.

Although it appears that the TGE has made a concerted effort to augment education's percentage of government spending, the nature of those expenditures, especially in the primary sub-sector, does not address the pressing

needs associated with the government's new education policy. Recurrent resources for primary education are overwhelmingly consumed by salaries. Ministry of Education figures from 1991-92 show 93 percent of the general education budget going to salaries. In the case of primary education recurrent expenditure, over 98 percent of the budget is consumed by salaries. Unit expenditure on primary education has gone up from 91 birr per student in 1988-89 to 128 birr in 1992-93, primarily because of drops in enrollment, with no appreciable improvement in quality. Indications are that patterns of expenditure in 1993-94 continued to favor salaries and other costs not directly related to improving the quality of primary schooling. BESO would encourage an increase of expenditure on non-salary, school-level, quality-enhancing inputs for primary education. Furthermore, BESO will provide support to a process of defining these minimum standards of quality and would advocate for their adoption and application as both the school and government planning framework.

5.1 Critical Project Activities

The enhancement of sectoral institutional capacity in three critical areas will contribute to the TGE ability to meet the reform objectives outlined above. These include i) sectoral planning, ii) budget and financial management, and iii) resource flows. Project objectives in the first two areas have already been identified under Supporting Objective 4. Specifically, they pertain to the objectives of improving REB and ZEO capacity in the areas of planning, budget preparation and financial management. The additional project objective that will receive BESO support under this sub-objective is:

Improved management of resource flows: The flow of resources out from the center to the regional and sub-regional levels will determine the feasibility and pace of reform implementation. With the implementation of regionalization and the decentralization of financial management responsibility, the capacity of education-sector administrators at all levels to program and manage resources in the sector effectively will determine whether the additional resources allocated to education can be absorbed and used well. In addition to the project inputs aimed at improving the decentralized administration and management already outlined, BESO will provide through its prime implementation contractor additional technical assistance to improve communication and coordination between regions and the MOF and MOE, between the target REBs and their respective RFBs, as well as among all regions, especially with regard to procedures and practices for planning, budget preparation and expenditure management. Also using its prime contractor, BESO will support the improvement of the efficiency and transparency of procedures for resource flows from the MOF to the regions, as well as within regions to zones and woredas.

Sub-Objective 5.2: Reduce the burden on the public sector for the financing of education.

Improvements in the quality of primary education and more equitable expansion of the system will constitute a tremendous drain on government resources for a long time to come. Overcrowding in urban public schools indicates excess demand. High levels of enrollment in private schools prior to the previous regime's suppression of private schooling indicate willingness to pay for schooling among certain segments of the population. Increased private provision of education at all levels and greater private contributions to the cost of public education would meet some of the excess demand and help alleviate some of the strain on government resources. BESO will support the development and establishment of a policy environment conducive to greater private-sector provision of education at all levels. Specific elements of such a policy that BESO will advocate could include the establishment of private education accreditation requirements and government support policies aimed at encouraging and facilitating the establishment of private schools, be they non-profit or for-profit. In support of the TGE's stated policy to implement cost recovery over time, BESO will advocate the definition and appropriate phasing of specific mechanisms through which cost sharing could progressively be pursued at senior secondary, tertiary and/or vocational and technical institutions. Furthermore, BESO will seek to improve the capacity of primary schools to raise, retain and use resources (see Sub-Objective 1.1).

Sub-Objective 5.3: Rationalize the allocation and use of resources within the education sector.

Implementation of the TGE's education policy will require a continued provision of an increased share of government budget for education and, within education, the most significant percent for the primary level. Therefore, BESO will require a maintained or increased share of national budget allocations for education, particularly for the primary sub-sector. In addition, BESO will support the establishment of a strategic planning framework linking capital and recurrent resource requirements. Furthermore, BESO would require the development and enforcement of basic quality standards as the means to ensure that planned expansion of primary education proceed at the rate at which the government can budget for the recurrent provision of that standard.

However, whatever the absolute and relative levels of education-sector expenditure, the issues of efficient and effective use of resources will remain critical to the capacity of the sector to improve and expand. Areas in which resource wastage is high and could be addressed as a means to improve efficiency include assignment of teachers, non-teaching personnel, and student wastage. BESO will advocate the establishment and implementation of minimum teacher workloads (in terms of class hours per week), reduction of

subject specialists at the primary level and re-assignment of surplus teachers within regions to areas where they are needed. BESO will support policy reform aimed at more rational employment and use of administrative staff in regional and sub-regional offices and non-teaching personnel in schools. BESO would also support policy reforms intended to remove school-based factors contributing to repetition and dropout.

Another important resource constraint in the education sector concerns the effectiveness of expenditures on pedagogical inputs. Three areas where this is of importance are: i) production and distribution of educational materials, ii) use of educational media, and iii) teacher training. As revealed in the USAID Education Sector Review, while considerable capacity exists in the areas of curriculum development, materials production and educational media (especially radio), little attention is paid to determining the effectiveness of these inputs in terms of quality of learning. Gains in the cost efficiency of materials development and production and in approaches to service delivery represents an important unexplored area for resource savings in the education sector. In particular, the role the private sector could play in more efficient delivery of services needs to be examined. BESO will advocate the adoption of clear policy guidelines intended to maximize the potential for private sector involvement in textbook, pedagogical materials, equipment, and furniture procurement. BESO will also pursue the policy objective of progressive privatization of those functions currently inefficiently carried out by public institutions.

5.2/5.3 Critical Project Activities

Support for policy reforms: Through BESO's prime implementation contractor, technical assistance, training, and project support will be provided under sub-objectives 5.2 and 5.3 as needed to help conduct analyses, develop policies and programs, and facilitate dialogue around policy options intended to rationalize teacher assignment, control administrative and non-teaching overhead, reduce student wastage, promote competitive procurement, and address general issues of cost-effectiveness.

IV. Project Inputs

All project inputs will be provided with the concurrence of the cognizant counterparts responsible for implementation of BESO activities. The proposed provision of Technical Assistance, both long and short term, in particular, will be fully reviewed with these counterparts and the organizations to which they will be assigned. Concurrence will be obtained with respect to their scopes of work, reporting relationships and responsibilities, duration of assignment and functional role within the BESO Project. Wherever appropriate and possible, technical assistance inputs will be aimed at strengthening skills and capacities of the Ethiopian counterparts and fostering systemic and sustainable change within the

target organizations. In addition, maximum efforts will be made to identify locally available Ethiopian nationals who can serve as technical assistants under BESO.

The project component of the program will be directed toward supporting the activities listed below:

Policy Research, Analysis and Dialogue Support

To support informed dialogue and decisions around the policy reforms described under the BESO program element, the project will support the policy research, analysis and dialogue activities. Project-funded inputs will include 4 person years of long-term international technical assistance, 10 person months of short-term international technical assistance, at least 100 person months of contracts with local researchers, analysts and research institutions. These inputs will be used to assist the Central Ministry, REBs and TTIs to collect baseline information, conduct analysis, develop policies and facilitate dialogue around policy, institutional and operational reform-related topics relative to each of the five supporting objectives. Topics may include background research on policy options intended to: rationalize teacher assignment, control administrative and non-teaching overhead, reduce student wastage, promote competitive procurement and address the general issue of cost-effectiveness, legal status of school governance boards; community financing, female persistence as teachers; girls' success in primary school; terms & conditions of service of teachers and school directors; TTI staffing; book sector study. Logistical support sufficient to cover the costs of policy research will be provided by the project. Funds are also budgeted for conferences, workshops and seminars to convene policy makers and to discuss and build consensus on needed improvements. Participation in regional study tours and costs associated with disseminating results of research studies will also be covered under this component.

School-Based Quality Improvement

School Grants and Support: To raise school quality and address issues of equity at the school/ community level, the project will support a strategic planning support and incentive grant activity. Over the LOP up to a maximum of 1,500 schools will receive from \$500 to \$1,000 in assistance, and up to 500 schools will receive additional assistance of approximately \$5,000 each. Funding under this project component will cover the grant fund and all costs associated with managing that fund. This component will likely be administered under a cooperative agreement between USAID and an international PVO, and possibly under direct grants to strong indigenous NGOs. The selection of the international PVO and the indigenous NGOs which will receive direct USAID grants will be done with the participation of the MOE and the relevant regional

representatives. The procedures and criteria to be employed in selecting NGOs, CBOs and other local partners as recipients of BESO sub-grants, will be established jointly by USAID, the MOE, Tigray and SEPR representatives. The activities, operations, monitoring and evaluation, and auditing responsibilities of these recipients will be subject to the guidelines established for such organizations by USAID and the cognizant national and regional authorities.

School Leadership: A program of continuous field-based in-service training will be provided to school directors under the project element. A management training specialist will be based in one of the regions and will provide 2 years of long-term international technical assistance to coordinate the design and pilot test the implementation of the school director in-service training program. In addition, 30 person months of local short-term technical assistance will be available to design and produce the in-service training modules. 32 person months of local short-term technical assistance will be required to train trainers and pilot test the school director training. The project will cover local costs associated with developing and pilot testing the school director in-service training modules.

Equity: Project funds, possibly used to access services of a centrally-funded USAID/W project, will support: short-term technical assistance (international); in-country training; 3rd country study tours; conference attendance; local contracting for research and sensitivity training/action planning.

Quality-Related Services

Regional: At the regional level the project will provide 2 long-term international technical assistants: 1 in curriculum design and 1 in textbook design. Each will serve for 2 years and will cover both regions. In addition, the project will provide the regions with 12 person months of international intermittent technical assistance specializing in the design and evaluation of educational technology and 12 person months of intermittent technical assistance specializing in assessment and examination development. The project will provide the regions with 12 person months of international short-term technical assistance specializing in areas such as: training for outreach to regions, field research/case studies, and analysis of private sector potential. The project will also provide in-country training in pedagogical and cost-effectiveness evaluation techniques; regional study tours; US study tours on the topics of curriculum and educational media.

Pre-Service Teacher Training

To support the pre-service teacher training initiative, the project will provide 3 long-term international technical assistants for 5 years each specializing in teacher education, one to each BESO TTI. The project will also provide 16

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person months of international short-term technical assistance in the following areas: gender related TTI issues (set-up female support system); professional certification; graduate tracking and support system; administration and management. Because USAID is fostering the development of three institutions, a substantial amount of equipment and supplies will be procured to enable the TTIs to function effectively. The project will provide each BESO TTI with one 4WD vehicle and up to \$250,000 in commodities and equipment such as: library materials; didactic materials; classroom furniture; and audio-visual equipment. BESO will also provide support for training including in country workshops, in-country conferences; and regional study tours. This component of the project will include long and short-term US-based participant training programs. In addition, the project will cover a modest amount of local costs such as: upgrading residential life for TTI students, setting up a graduate tracking system and providing incentives to increase female participants.

Decentralized Administration and Management

Central: At the central level, the project will provide 1 international long-term technical advisor for 4 years who will serve as the Prime Contractor's Chief-of-Party. This person will be assisted by a long-term locally-hired administrative assistant. 16 person months in international short-term technical assistance will be provided in areas such as: financial simulation, presentation design, and publication/dissemination. In order to disseminate policy information, the project will provide assistance for central level policy personnel to: attend international conferences, participate on regional study tours. The project will provide participant training for US master's degrees in educational policy research as well as some US short-term training. To support central level activities, the project will provide one 4WD vehicle.

Regional: To support capacity building at the regional level the project will provide 4 long-term international technical assistants: 2 specializing in financial management and 2 in educational planning and information systems. These advisors will be based in the regional educational bureau offices for four years. The project will also provide the regional bureaus with 24 person months of international short-term technical assistance in: quality standards, procurement, materials management and distribution, office management, personnel management, computer training. The project will support training activities for regional level staff including: in-country workshops; regional country study tours; US-based short-term participant training programs. Long-term participant training will include US-based MAs in educational administration and educational planning. The project will provide TA support costs such as office equipment, operational budgets, and two 4WD vehicles.

Zone and Woreda-Level: At the woreda and zone levels BESO will provide short-term technical assistance (in conjunction with REB-level), workshops and

conferences to support decentralization activities. Training at this level will include: in-country training programs, regional study tours, US-based short-term participant study (In conjunction with REB level). The BESO project will also provide selected woredas with modest amounts of commodities such as office equipment.

Monitoring and Evaluation

BESO will provide the following inputs for monitoring and evaluation: 20 months of international short-term technical assistance for research design and analysis; 40 person months of local short-term technical assistance for research design and analysis; 100 person months of local short-term technical assistance for data collection; funding for about 40 meetings and workshops; and local costs including transport and per diem to cover the costs of the monitoring and evaluation activities.

Mission Management Support

Funds will be budgeted for two FSN Mission based staff members (a PSC Program Manager and a PSC Monitoring and Evaluation Specialist) and for short-term consultancies to carry out required monitoring, assess compliance with policy conditions and to assess systematically program impact. The project will provide the Mission with some logistical support including equipment (computers, desks, etc.) and operational support to complete their tasks.

V. Anticipated Project Impact

The expected achievements and impacts of BESO can be categorized into four areas: (1) school-level quality and equity improvements; (2) quality-related inputs improvements; (3) teaching force quality improvements; (4) regional and sub-regional administrative and management capacity.

The project as agreed upon is estimated to produce the following kinds and amounts of outputs in the central government and the regions of Tigray and SEPR:

- 1,500 primary schools will have produced strategic plans with the cooperation of parents and communities and received from US\$500 to US\$1,000 in assistance.
- 500 primary schools will have produced proposals for school-improvements and received up to an additional US\$5000 in incentive grants; 20% of these grants will be targeted at supporting activities aimed at increasing the access and success of girls.
- A significant number of school directors will have undergone in-service

training; local school director peer support networks will be in place; and, strong school-site management teams will be operating.

- A significant number of all primary schools in the focus areas will be staffed with certified teachers whose teaching skills have been raised to acceptable levels.
- 3 Teacher Training Institutes will be fully functioning with adequate buildings, furniture and equipment, books, learning materials, libraries, dormitories, and vehicles.
- 25 studies to provide critical background research and baseline information on institutional and operational reforms will have been completed.
- Several policy research, analysis and dialogue activities including workshops, seminars and study tours will have taken place.
- The Regional Education Bureaus will have received training in curriculum and textbook design, in design and evaluation of educational technology and in assessment and examination development.
- The Regional Education Bureaus will be trained in Financial Management and Educational Planning and Information Systems.
- 2 individuals from the MOE will have received US-Master's training in Educational Policy; 4 individuals from the regional administrations will have obtained US-Master's degrees in Educational Administration and Educational Planning.
- Significant capacity for monitoring and evaluation will be in place at all levels of the education system through meetings and workshops on research design and analysis, and data collection.
- Gender sensitization workshops will have been conducted through all levels of the system and action plans for addressing gender problems will have been developed and implemented.

A special note is required regarding equity. BESO plans to deal forcefully with gender inequities as well as with inter- and intra-regional resource disparities. In the first area, anticipating the impacts from BESO's gender equity enhancing efforts is difficult at this stage. This is for two reasons. First, program support to get more female educators into the system (e.g., more female head teachers, more female TTI staff and students, and more female teachers assigned to remote schools), is justified not just on the benefits to these individuals, but more importantly in sector-level terms. Research demonstrates the positive pulling force that successful female professionals (teachers, administrators, managers) exert on girls and their parents faced with decisions of entering or continuing in school. But this relationship is indirect and of long gestation; impact is therefore protracted and difficult to predict.

Second, in BESO's school improvement initiatives, much attention will be given to improving the learning environment with more gender sensitive teachers and curricula, and with other deliberate efforts to attract more girls to enroll. However, experience with female education promotion efforts elsewhere has taught that interventions must be carefully tailored to the community and cultural settings in which they are to be applied. Many programs that have succeeded in one area, have not yielded results in neighboring communities. These cautions notwithstanding, BESO is committed to work toward, monitor and report on gender improvements. While at this stage it is impossible to estimate the magnitude of such improvements, program related gains are anticipated related to girls' enrollments and persistence, more female entrants and graduates of TTIs, and increases in the numbers and percentage of female primary teachers and directors.

Similarly, BESO's budget conditionality and project support to improve and/or develop more analytically-based systems for budgeting both at the center and the regions will yield allocations which are more rational in terms of directing resources to historically neglected regions and parts of regions -- a high TGE and sector priority. Though it will be possible for BESO to monitor and report on such allocation decisions, it will be beyond the program's ability to measure their impact, except perhaps in the two regions of concentration.

VI. Project Management Plan

The project will be managed under the overall BESO program along with the non-project component by representatives from the USAID/Ethiopia Mission and the TGE.

A. Mission Management

Within the Mission, the Human and Institutional Development (HID) Office will provide overall management of the BESO Program and Project. This office is headed by a USDH Supervisory General Development Officer who will serve as the USAID BESO Program and Project Officer. In addition, within the HID Office a BESO program management unit will be established to manage the BESO NPA and Project Assistance. The unit will consist of the following two professional FSN officers:

- 1) **BESO Program Manager (FSN)** who will manage the overall activities associated with implementation and evaluation of the BESO NPA and the BESO Project and advise USAID on all relevant TGE and donor policies and activities relating to the education sector.
- 2) **Monitoring & Evaluation Specialist (FSN)** who will oversee the implementation of the monitoring and evaluation component of the BESO,

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manage Mission contracting for special studies related to that component, and establish the USAID internal BESO database and reporting system to fulfill USAID/Ethiopia reporting requirements associated with the implementation of BESO and pursuit of the education-related strategic objective. The M&E Specialist will be supervised by the BESO Program Manager.

In addition, an NGO Coordinator (FSN) located in the HID Office will assist the BESO Program Manager with management of the NGO components of the BESO Project.

A BESO Program Committee will be established within the Mission to review program/project progress, representatives of which will meet frequently with the MOE, MOF, MOPED, MEEC, the focus regions' representatives, the prime contractor and other relevant entities.

B. TGE Management

In order to manage the reform effectively with both parties to the agreement fully informed of expectations, actions, accomplishments and issues, it will be necessary to establish at the outset management structures which will have responsibility for Program oversight and for reporting the results of the reform effort in a form and on a schedule to which the two parties agree.

To this end the TGE will appoint a BESO Central Coordinating Committee (BCCC) which shall be responsible for overseeing and reporting on reforms in finance, progress on decentralization of education administration and policy changes that affect school quality and equity. The BESO Central Coordinating Committee will represent the country's leadership in dealing with external assistance programs, planning, finance, decentralization and education, and possess the authority to act on issues of importance to the BESO program.

Representation from the MOE, MOF, MOPED, MEEC, and PMO (regional affairs, women's affairs, social services sector), as well as the Heads of the Tigray and SEPR REBs, would be required on the BCCC. The members of the committee from each of these offices should respectively be able to:

- represent the Minister of Education on issues of education sector policy;
- speak authoritatively regarding overall government budget allocations and expenditures, as well as those within the education sector;
- represent the MOPED education sector expertise and authority on capital investment planning and objectives;
- represent MEEC interests and authorities pertaining to USAID assistance programs;
- represent the PMO authority responsible for the education sector, women's affairs and the regionalization office's Tigray and SEPR representatives; and,

- report on BESO implementation progress in Tigray and SEPR.

The BCCC will need to have primary authority for recommending and establishing negotiating positions for agreements with USAID on BESO reform objectives and specific conditions precedent to budgetary support tranche disbursements. It will also be responsible for demonstrating compliance with agreed-to conditions and for providing overall annual progress reports on implementation of BESO related reforms. A BESO Primary Education Policy Research and Evaluation Working Group comprised of MOE, Regional and institutional representatives will be created to provide reports to the BCCC and to serve as the counterpart for the USAID monitoring and evaluation specialist. The BESO CCC will meet at least two times each year to review the reports and will meet once at the end of the Program year as part of the regular BESO annual review.

In addition to the BESO Central Coordinating Committee, the two Regional Education Bureaus will establish BESO Regional Coordinating Committees to oversee and report on primary education reform at the regional level. The two committees will be constituted by the Regional Education Bureau Head and will include sub-regional representation and persons responsible for planning, budgeting, curriculum and materials, personnel, supervision and other functions key to the reform at the regional level. They will also include appropriate representation from the Regional Council, Regional Finance Bureau, and Regional Planning Bureau. The BRCC will need to have authority to make commitments on behalf of the regional government to implement the reforms negotiated as elements of the BESO program. This could pertain to financial, institutional, and education specific reforms.

The BESO BRCCs will meet at least two times each year to review reports from the Primary Education Policy Research and Evaluation Working Group and will meet at the end of the Program year as part of the Annual Tranche Review and determination of objectives and conditionalities for the coming year. Each BRCC will be represented on the Central Coordinating by the Head of the REB.

The BESO Program Manager at USAID will have responsibility for communication with and support to the three committee chairs. The USAID monitoring and evaluation specialist will have responsibility for communication with and support to the Working Group. The USAID prime contractor's Chief-of-Party will have responsibility for interacting with the USAID Program Committee and the BESO CCC and RCCs, as needed. The establishment and regular operation of the required management committees will be included as conditions precedent to the disbursement of the first tranche of budgetary support.

VII. Project Financial Plan

US\$30 million will be obligated in grant assistance over the seven-year period. It is estimated that the project will require this budget to finance the foreign exchange and local currency costs associated with providing the technical assistance, training, equipment, commodity, evaluation, audit and other costs associated with implementing the overall Program and Project. Table I below summarizes the Project budget for the life of BESO.

Table I: Summary Cost Estimate And Financial Plan (U.S. \$000)

BESO Program - Project Assistance	FX	LC	Total
Project Components			
Policy Research Analysis & Dialogue	1,585	625	2,210
School Based Quality Improvements	2,110	7,380	9,490
Quality Related Services	1,655	45	1,700
Pre-Service Teacher Training	4,925	355	5,280
Decentralized Admin & Mgmt	6,237	815	7,052
USAID Management Costs	973	567	1,540
Mission Program Management	(10)	(330)	(340)
Audit	(300)	(0)	(300)
Monitoring & Evaluation	(663)	(237)	(900)
Project Sub-Total	17,485	9,787	27,272
Contingency & Inflation (10%)	1,749	979	2,728
Project Total	\$19,234	\$10,766	\$30,000
Non-Project Total	\$50,000	\$0	\$50,000
Total Program Assistance	\$69,234	\$10,766	\$80,000

USAID support for foreign exchange and local costs includes an inflation/contingency factor of 10% per annum.

USAID project financing of US\$30 million will be incrementally obligated over eight years (i.e. FYs 1994-2001) of the project to ensure that adequate resources are available for start-up cost and timely completion as indicated in Table II. The initial obligation will be for \$8 million in FY 1994. Table II also indicates the anticipated expenditure stream for the project, assuming the project is authorized and obligated in late FY 1994.

Table II: Projection of Project Expenditures by Fiscal Year (US \$ 000)

	FY-94	FY-95	FY-96	FY-97	FY-98	FY-99	FY-00	FY-01	FY-02
Obligation	8,000	0	3,000	4,000	5,000	5,000	3,000	2,000	0
Expenditure	0	1,900	6,027	6,122	5,511	4,696	3,219	2,324	201

VIII. Government of Ethiopia Financial Contribution

The Project budget does not include any formal TGE contribution to the BESO Project. Instead, the Mission has obtained AA/AFR approval for a waiver from the Section 110 requirement of a minimum 25% TGE contribution to the project.

Although this requirement has been waived, it is expected the TGE and the Regional Administrations in SEPR and Tigray will provide the following support and assistance to the project:

- office space for the technical advisors in their assigned organizations;
- secretarial, administrative, logistic and utilities support for the technical advisors, as normally provided to other staff members of their assigned organizations;
- assistance in locating appropriate rental housing for the residential technical advisors to be based in SEPR and Tigray, and expedite as needed the provision of utility services (electricity, water, telephone) to these properties.

IX. Procurement Plan

A Project Agreement (Pro Ag) will be signed between USAID and the TGE to endorse the objectives of the project activities and to provide for duty-free entry of project financed commodities/equipment and contractor personal effects. The procurement plan for each of the major project funded procurements (prime contractor, cooperative agreement grantee, start-up buy-in, in-house Program Management, evaluations, and audit) are described below.

A. Prime Contractor

The majority of project funds are planned to be disbursed through a competitively (full and open) selected prime contract. Given the complexity of the project work in five supporting objectives, it is anticipated that the successful Prime Contractor will need to line up a number of subcontractors in order to cover the skill areas required by the work. If the proposer is not itself a qualifying 8a (Gray entity) firm, then one or more of the subcontractors, representing at least 10 percent of the total contract cost must be included in the proposal. In addition, the Prime Contractor will need to arrange one or more contracts with local firms to provide Ethiopian professional and support services for the conduct of field investigations, studies, data analysis, technical assistance support to the focus regions and the central MOE, in-country training, and locally procured commodities.

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The grants to PVOs/NGOs, which represent a major BESO Project activity, will for the most part be managed under a separate Cooperative Agreement to be awarded to an international PVO.

B. Cooperative Agreement

Given the complexity of the school grants work it is anticipated that the international PVO will need to line up a number of sub-agreements with local NGOs in order to cover the skill areas required by the work. Where sufficient capacity exists within indigenous NGOs to manage a portion of the grants program, consideration will be given to providing grants directly to these indigenous NGOs, thereby bypassing the international PVO.

C. Start-Up Buy-In

During the interim period before the prime contractor is mobilized, BESO funds will be used to access services of a USAID/W central education project for short-term technical assistance to kick off critical efforts in some or all of the five supporting objectives. Activities are likely to be organized around a series of studies that examine conditions, analyze constraints, establish frameworks and baseline, and research policies pertinent to subsequent BESO interventions.

D. In-House Program Management

Project funding will also be used to finance the salary and support costs of the BESO Program Manager and Financial Management Specialist. The required FSN contracts will be executed by the USAID/Ethiopia Executive Office.

E. Audits

BESO Project and Program audits will be arranged through local auditing firms or under the regional IQCs managed by REDSO/ESA/RIG/A and REDSO/ESA/CON.

X. Project Monitoring, Evaluation and Assessment

A. Purposes of the BESO Monitoring and Evaluation Component

The comprehensive monitoring and evaluation component of Ethiopia's Basic Education Sector Overhaul (BESO) Program/Project is designed to achieve four purposes:

1. Meet the USAID requirements for demonstrating BESO's progress, impacts and satisfaction of conditionalities;
2. Strengthen the management of basic education reform in Ethiopia and

Improve implementation at all levels of the primary education system;

3. Build the capacity of the primary education system to monitor and evaluate its own performance;

4. Disseminate promising primary education practices to schools, districts and regions throughout Ethiopia.

B. Substantive Focus of Monitoring and Evaluation

BESO aims to overhaul four aspects of the system of primary education in Ethiopia; they are financing of education, management of education, quality of education and equity of education. The monitoring and evaluation system will capture changes in each of these aspects and at appropriate levels of the system including national, regional/ sub-regional, institutional, community and school levels. Further, the monitoring and evaluation scheme will illustrate how the changes in the education system impact on children.

C. Strategies for Monitoring and Evaluation

Given the aims of the BESO Program and the limitation of the system to adequately monitor and evaluate progress on the Program, it will be necessary to include more assistance in this area than might be provided in a typical education project. The monitoring and evaluation scheme includes four strategies.

1. Monitoring and Reporting National Level Indicators

National level indicators will be reported annually by the BESO Central Coordinating Committee for system-wide performance and for performance by central service agencies including ICDR, EMPDA, EMMA and the TTIs.

2. Evaluation of Regional and Sub-regional Performance

Regional/sub-regional performance will be reported annually and monitored quarterly by two BESO Regional Coordinating Committees (see below).

3. Studies of Communities and Schools

BESO will support through its M&E services contractor the study of several classrooms in the two targeted regions of Ethiopia in order to observe system changes as they occur at the school and student levels. Participating classrooms will be drawn from Zones and Woredas where there is a commitment to BESO (including the woredas where targeted TTIs are located). At least one-quarter of

the classrooms will be in schools that are not receiving direct project inputs under the grants program.

4. Disseminating Promising Practices

Because BESO will foster innovation at several levels of the primary education system, it will be important to capture promising practices and package them for adaptation in other parts of the system not receiving direct support from BESO. Therefore, BESO plans to produce through its M&E services contractor 20-30 brief, informative documents during the life of the Program and to hold or participate in 3-4 workshops each year sponsored at the Regional/sub-regional or national levels.

D. The Starting Point - Creating the BESO Baseline

The baseline data for the BESO Program will be collected by the M&E services contractor early in implementation, primarily during the first year. The baseline studies are as follows: Primary Education System Profile, Financing Study, Decentralization of Education Management, Primary Teaching, Primary School Administration, School Quality, School Governance, Book/radio/materials Study, School Equity and Student Achievement.

E. Managing the Monitoring and Evaluation Function

The monitoring and evaluation function will be managed by a senior FSN specialist at USAID reporting directly to the HID Office Chief. He/she will work closely with the BESO Program Manager and will have the lead responsibility for ensuring that USAID meets its reporting requirements, that sufficient feedback is provided to program and project implementers as to program progress, that policy analysis and evaluation capacities are built within the TGE and cooperating institutions and that "lessons learned" in the program are made available to the TGE for dissemination.

A Primary Education Policy Research and Evaluation Working Group comprised of MOE, Regional and institutional representatives will serve as the counterpart for the USAID monitoring and evaluation specialist.

F. The Annual Review

Effective management of the negotiation of agreements and reporting on reform progress will also necessitate a formal **Annual Review**. Each year, the BESO Annual Review will serve two purposes. First, it will provide a structured forum in which all concerned parties (central and regional governments, technical education personnel, USAID, USAID's contractors, etc.) can assess program progress. The assessment of BESO progress would examine both

implementation status and impact. In particular, the Annual Review would be concerned with the status of policy reform and progress towards meeting the BESO program reform objectives. The second purpose of the Annual Review pertains to the monitoring of conditionality and setting of subsequent tranche conditions. Each year, following agreed-to reporting requirements, the TGE will officially submit documentation of compliance with BESO conditionality. The exact form and nature of the documentation required will be negotiated at the previous year's Annual Review. In the case of the first year, this will be negotiated at the outset and codified in a Program Implementation Letter (PIL) from USAID to the TGE.

The Annual Review will also serve to assess program progress and reform status; thereby providing the basis for reaching agreement on reforms which all parties think are important and achievable in the coming year. Annual negotiation would include discussions of subsequent reform objectives, expectations for progress towards meeting them, expectations for input from all sides, and agreement as to what should constitute conditionality for the next tranche of BESO budgetary support. Agreement would also be reached and documented in PILs from USAID to the TGE as to what would satisfactorily demonstrate realization of the policy objectives identified as conditionality and what would be required as proof of compliance with the conditions.

XI. External Evaluations and Audits

The project shall have one formative evaluation and a final evaluation. These external evaluations of the program are planned to check the validity of the program's logic and distribution of costs and benefits. The evaluations will be designed to assess overall impact and to look at the integration between the policy and project components of the program. The first formative evaluation, will be scheduled for about three years after the arrival of the project technical assistance team. The evaluation will examine the experience of the first three years of the implementation and identify needed adjustments in the program. The final evaluation is planned for the conclusion of the project to provide a summative assessment of the project element of the program, as well as to report on progress in realizing policy objectives.

Audits of the Prime Contractor, International PVO and indigenous NGOs will be conducted as required.